BP Cherry Point Cogen
DEIS Comment - 13

October 24, 2003

Allen Fiksdal, Manager
Energy Facility Site Evaluation Council
P.O. Box 43172
Olympia, WA 98504-3172

Dear Mr. Fiksdal,

I would like to go on record as being supportive of the BP Cherry Point Cogeneration Project. The project as outlined in the information I have received would provide for a net reducion in criteria pollutants and a net reduction in particulates within the airshed. In addition it would provide for a 700,000 gallon per day reduction in Nooksack water withdrawal and would provide 372 construction jobs and 30 permanent jobs. 1

It appears that BP has done an outstanding job in meeting all of the environmental criteria and it will provide a significant economic benefit for the community.

Your favorable response would be appreciated.

Sincerely,

Bill Henshaw
2653 North Park Drive
Bellingham, WA 98225

RECEIVED
OCT 27 2003
ENERGY FACILITY SITE
EVALUATION COUNCIL

BP Cherry Point Cogen
DEIS Comment - 14

NORTHWEST AIR POLLUTION AUTHORITY

1600 South Second Street
Mount Vernon, WA 98273-5202
Tel: (360) 428-1617 / Fax: (360) 428-1620

Serving Island, Skagit and Whatcom Counties

October 24, 2003

Allen Fiksdal, Manager
Energy Facility Site Evaluation Council
P.O. Box 43172
Olympia, WA. 98504-3172

Re: BP Cherry Point Cogeneration Project
Draft Environmental Impact Statement Comments

Dear Mr. Fiksdal:

The Northwest Air Pollution Authority (NWAPA) is pleased to submit comments on the Draft Environmental Impact Statement dated September 5, 2003 on the BP Cherry Point Cogeneration Project. The NWAPA is a local regulatory authority with responsibility for enforcing the air quality rules and regulations in Whatcom, Skagit and Island Counties within the State of Washington

The NWAPA has a few concerns about the completeness of the Draft Environmental Impact Statement (DEIS) in regard to Section 3.2 Air Quality. Our comments are as follows:

1. Table 3.2-7 shows the annual potential criteria pollutant emissions. The total for volatile organic carbon (VOC) for the project is listed as 42.3 tons/year. This table references BP 2002 as the source. This source is not listed in the references. **1**

2. It is unclear what percentage of the VOC's are hazardous air pollutants (HAPs). The document states that the project is not subject to any Maximum Available Control Technology (MACT) regulations for hazardous air pollutants. We would like to see an expanded discussion with additional pollutant information addressing whether the MACT for combustion turbines (40 CFR 63 Subpart YYYY) is applicable to this project. **2**

3. Toxics Air Pollutant Analysis (Chapter 173-460 WAC) – The discussion and table did not include nitric oxide. This pollutant could be fairly large for this project and has an acceptable source impact level of 100 micrograms per cubic meter twenty-four hour average. This toxic air pollutant should be evaluated in the DEIS. **3**

We appreciate the opportunity to comment on the Draft Environmental Impact Statement. Please contact Lynn Billington, Manager of Technical Services, PE at (360) 428-1617 ex. 213 if you need further information or a more detailed explanation of these comments.

Sincerely,

James Randles

James Randles
Director
Northwest Air Pollution Authority

BP Cherry Point Cogen
DEIS Comment - 15

EDC

BELLINGHAM WHATCOM
Economic Development Council

October 29, 2003

Allen Fiksdal, Manager
Energy Facility Site Evaluation Council
P.O. Box 43172
Olympia, Washington 98504-3172

Dear Mr. Fiksdal:

The Bellingham Whatcom Economic Development Council was asked by its membership to review and comment on the economic impacts of the BP Cherry Point Cogeneration Project. To assist us with our review, we asked the Western Washington University's Center for Economic and Business Research (CEBR) to look at the economic impact assumptions that BP identified in their initial application documents.

Attached to this letter is a memorandum from CEBR that basically states that in their opinion, BP's initial economic impact are conservative and of a very positive nature. It is also our opinion that the BP Cherry Point Cogeneration Project will be good for the overall economic base in Whatcom County. This project will create hundreds of short term construction jobs and dozens of long term permanent jobs. The project will provide millions of dollars of revenue to both the public sector local governments and to private sector businesses. We also have had serious conversations with out of the area companies that are interested in locating to Whatcom County specifically to take advantage of the potential surplus electricity and to use the steam the Co-Gen would produce. 1

In summary, the project will be good for the Whatcom County economy. The Bellingham Whatcom Economic Development Council encourages your approval of this project.

Thank you for your consideration.

Sincerely,

Rob Pochert, CEcD, EDFP
Executive Director

P.O. Box 2803, Bellingham, WA 98227 • 360-676-4255 • 1-800-810-4255 • Fax 360-647-9413 • e-mail: bwedc@bwedc.org

WESTERN
WASHINGTON UNIVERSITY

An equal opportunity university

Center for Economic and Business Research
College of Business and Economics

516 High Street
Bellingham, Washington 98225-9074
(360) 650-3909 ☐ Fax (360) 650-7688

Memorandum

To: Rob Pochert

From: Hart Hodges

Date: October 27, 2003

RE: Potential Economic Impacts of BP Cogeneration Facility

I reviewed the document you sent that contained information on population, housing, and economics prepared by BP. That document describes the potential employment and wage impacts of the construction of the cogeneration facility, as well as the ongoing operation and maintenance of the facility.

Construction is estimated to create the equivalent of 714 one year jobs and operations and maintenance is estimated to require 30 full-time staff. Both estimates are for direct impacts. For indirect employment impacts, BP used a multiplier of 1.3 during the construction phase and 1.7 during the operating and maintenance phase. (A multiplier of 1.3 during the construction phase suggests there will be 0.3 indirect jobs created for each 1 direct job created – for a total of 210 one-year jobs created during the construction phase, above and beyond the 714 on site construction jobs.) BP provides a reference to "Weber and Howell, 1982" when they introduce the multipliers.

The reference may be to the book, Coping with Rapid Growth in Rural Communities, written by Weber and Howell in 1982. Unfortunately, we do not have that book in the Western Washington University library. I will try to get a copy through the interlibrary loan service so I can review the methodology used by Weber and Howell.

In the meantime, I checked the IMPLAN model to see what employment multipliers might be valid for this sort of project. Not surprisingly, there is no category in IMLAN for the construction of or operation of a cogeneration facility. Still, there are categories in utilities structures and power generation. Concerns about a mismatch in categories not withstanding, it seems to me that the multipliers in the BP report are conservative. According to the IMPLAN model, the construction of utilities structures should have an employment multiplier of 1.5 to 1.7 – which is higher than what is used in the BP report.

In addition, the operation and maintenance of other utilities facilities should have a multiplier closer to 2.0.

I conclude that the estimates of employment impacts in the BP study are conservative. (Which I commend, since it is very common to see people try to overstate the likely employment benefits of a given project.)

I also note that BP has done a good job of pointing out that a large percentage of the expenditures that would be made for the project would go to firms outside of the county or immediate region.

BP does not offer an estimate of indirect income or expenditure effects, they only focus on indirect employment effects. This approach may be wise since it is very difficult to know what indirect jobs might be added and at way wage. With that said, it is safe to assume that the actual income or wage effects will be higher than what is shown in the report. (For example, table 3.12-8; the table shows direct wages only – there is no entry for indirect wages.)